

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3820

February 22, 2012

SUMMARY OF BILL: Authorizes a handgun carry permit holder to convert to a lifetime permit at the next renewal period at a cost of \$60 in addition to the four-year renewal fee, beginning September 1, 2012. Authorizes new applicant for handgun carry permits to obtain a lifetime permit at a cost of \$75 in addition to the amount of a regular permit application fee.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$3,611,400/FY12-13
\$5,425,700/FY13-14
\$4,864,000/FY14-15
\$4,639,900/FY15-16
\$392,100/FY16-17**

**Decrease State Revenue – Exceeds \$100,000/Each FY17-18, FY18-19, and FY19-20
Exceeds \$2,000,000/Each FY20-21 and FY21-22
Exceeds \$4,000,000/FY22-23 and Subsequent Years**

Increase State Expenditures – \$54,700/One-Time

Assumptions:

- For the purpose of brevity in this fiscal note, detailed calculations supporting the following estimated fiscal impact have been omitted. However, such calculations are on file with Fiscal Review Committee staff and are available upon request.
- The Department of Safety (DOS) estimates an increase in state revenue over the first four years following the effective date of this bill due to current permit holders obtaining a lifetime license.
- DOS estimates the following increase in state revenue: \$3,611,400 in FY12-13, \$5,425,700 in FY13-14, \$4,863,960 in FY14-15, \$4,639,920 in FY15-16, \$392,060 in FY16-17.
- Beginning in FY17-18 and ending in FY19-20, there will be a decrease in average annual state revenue from renewal fees exceeding \$100,000.
- In FY20-21 and FY21-22, the decrease in state revenue will exceed \$2,000,000.

- In FY22-23 and subsequent fiscal years, the decrease in recurring state revenue will exceed \$4,000,000.
- DOS will require one-time costs for computer programming in order to create the new lifetime permit. Contract programmer costs will be \$23,250, contract analyst costs will be \$6,695, and contract project manager costs will be \$9,785. Placing the word “LIFETIME” on permits will cost \$15,000.
- A total one-time increase in state expenditures will be \$54,730 ($\$23,250 + \$6,695 + \$9,785 + \$15,000$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jaw